

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Municipal Administration & Urban Development Department - Leases - Proddatur Municipality – Complaint made by Sri G. Venkata Subba Reddy, Proddatur against the Municipal Commissioner and Senior Assistant, Proddatur Municipality on leasing out the shop rooms – Proposal submitted for cancellation of Council Resolution - Show-cause notice issued – Cancellation of council resolution No. 571,dt.30-3-2013 – Orders –Issued.

MUNICIPAL ADMINISTRATION AND URBAN DEVELOPMENT (J2) DEPARTMENT

G.O.Ms.No: 7

Dt. 04.01-2014
Read the following

- 1.From the C&DMA Lr.Roc.No. 8019/2013/N1, dt.19.06.2013.
- 2.Govt.Memo.No.14208/J2/2013-1,dt.23-9-2013
- 3.Govt.Memo.No.14208/J2/2013-2,dt.29-10-2013.

ORDER:

Whereas, in the letter 1st read above, the Commissioner & Director of Municipal Administration, Andhra Pradesh, Hyderabad has stated that Sri Gosangi Venkata Subba Reddy, Proddatur has made a complaint with regard to conducting public auction in Proddatur Municipality stating that there is a loss of Rs.4.00 Crores to Proddatur Municipality. On this issue, the Regional Director-cum-Appellate Commissioner of Municipal Administration, Ananthapur has been requested to conduct a detailed report on the above complaint. He has submitted the enquiry report and the following lapses have been noticed, namely,

- a) According to rule 4 of the Andhra Pradesh Municipalities (***Regulation of Receipts and Expenditure***) Rules,1968, the preliminary notice shall, after approval by the authority referred to in sub-rule (2) where such approval is necessary, be published in one or more newspapers having a wide circulation in the locality. A copy of the notice shall also be affixed in some conspicuous place within the limits of the Municipality and to the notice board of Municipal Office. In this case, the notice was published in "***Visalandhra***" ***daily*** Newspaper on 13.03.2013, Mike announcement was made. But no information is available in the connected file regarding the placing of auction notice in the notice boards of Municipal Office and other important places.
- b) Under section 56 (3) of the Andhra Pradesh Municipalities Act., 1965, whenever the Municipal Commissioner wants to go for meeting or on casual leave, he has to delegate his powers on current duties as Commissioner to the next higher authority ie. Municipal Engineer, Deputy Engineer, Town Planning Officer etc. But the Municipal Commissioner, Proddatur has authorized Sri. B.Venkateswara Goud, Senior Assistant to conduct Shop Room Auction on 23.03.2013 even though there is a experienced Deputy Executive Engineer and Revenue Officer which is irregular.
- c) On perusal of Auction Register it has been observed that seventy (70) members have participated in the open auction and minimum four bidders maximum 8 bidders have participated for each shop room in the public auction and the matter have been placed before the Council and the Municipal Council has resolved in its C.R.No.571, dt: 30.03.2013, to allot the shop rooms to the highest bidders. Accordingly, the 31 Shop Rooms have been allotted to the highest bidders.

- (d) In the auction, Eight members have participated for Shop Room No. 1 X 32 which is situated at Sivalayam Street and the highest bidder is Sri. K.Ramana and his bid amount is Rs. 14,800/-, Second highest bidder is Sri.N. Siva Prakash and bid amount is Rs. 14,750/-. But the shop room has been allotted to the highest bidder Sri. K.Ramana for Rs. 14,600/- irregularly which is caused for financial loss to the Municipality of Rs.7,200/- for three years.
- (e) The auction has been conducted in the presence of Municipal Standing Counsel, Proddatur Municipality and Auction was conducted by one Sri. B.Venkateswara Goud, Senior Assistant without any Officer even though there is a Municipal Executive Engineer, Deputy Executive Engineer and Revenue Officer which is irregular.
- (f) Sri. B.Venkateswara Goud, Senior Assistant and Municipal Standing Counsel have made signatures in the Auction Register. It is not known on what capacity the Municipal Standing Counsel has made a signature in the Auction Register. But the Commissioner and any other officer has not approved the Auction conducted by the individual.
- (g) The Revenue Officer has not signed even though he is a concerned officer and no where the role of Revenue Officer has appeared in the conducting of auctions. However, the Municipal Commissioner, Proddatur has allotted the Shop Rooms to the bidders. Hence, it is clear that proper procedure was not followed in conduct of Shop Room Auction in Proddatur Municipality and the action taken by the Municipal Commissioner and Sri.B.Venkateswara Goud, Senior Assistant, Proddatur Municipality in conduct of Shop Room auction is not proper.
- (h) The Municipal Commissioner has conducted auction only for 31 Shop Rooms out of 47 Shop Rooms even though the lease period of 25 years have been completed for the total (47) shop rooms which caused financial loss to the Municipality and against the orders issued by the Government in G.O.Ms.No.120 M.A & U.D (J1) Dept., dt: 31.03.2011.
- (i) Due to two years delay in conduct of open auction even though Government issued clear instructions in this regard and W.P.No.23109 of 2011 dismissed by the Hon'ble A.P. High Court in favour of Municipality which has caused huge financial loss to the Municipality;

2. And whereas, the Commissioner & Director of Municipal Administration, Andhra Pradesh, Hyderabad has also stated that, the auction has been conducted in Proddatur Municipality as ordered in G.O.Ms.No. 120 MA, dt. 31.03.2011 after a period of two years. The upset price was not fixed as per G.O.Ms.No. 56 M.A., dated. 05.02.2011 during the auction conducted on 23.03.2013 in Proddatur Municipality for (31) shop rooms which is a mandatory. The Publication given in the Visalandhra daily news paper is also against to the provision contained under rule 4 of A.P. Municipalities (Regulation of Receipts and Expenditure) Rules, 1968. Further, the prevailing rates are to be verified by the Revenue Inspector / Bill Collector, who is authorized to do so. In this case the prevailing market rates have been verified by the Revenue Inspector and Bill Collector on 25.03.2013, whereas the auction was conducted on 23.03.2013;

3. And whereas, further the Commissioner & Director of Municipal Administration, Andhra Pradesh, Hyderabad has requested to cancel the Council Resolution No.571, dt: 30.03.2013 in which it was approved to allot the shop rooms to the highest bidders participated in the public auction conducted by the Proddatur Municipality on 23.03.2013, since the public auction was conducted irregularly with out following the guidelines and rules prescribed therein under section 59 of A.P. Municipalities Act 1965;

:: 3 ::

4. And whereas, in the Government Memo 2nd read above, Government have communicated a show cause notice duly indicating the proposed cancellation of Council Resolution No.571, dt. 30.03.2013 with a direction to submit the explanation within the stipulated period, and it was also informed that If no explanation is received within the above stipulated period, it will be construed that Council has no explanation to offer in the matter and further action will be taken on the material available with the Government and as per the provisions of the Act.

5. And whereas, in the Government Memo 3rd read above Government have given another 15 days time to the Municipal Council, Proddatur for furnishing explanation if any on the show-cause notice issued in the Government Memo 2nd read above. No explanation was received from the Municipal Council, Proddatur. Hence it is construed that council has no explanation to offer in the matter;

6. And whereas, Government after careful examination of the matter and consider the proposal of Commissioner & Director of Municipal Administration, Andhra Pradesh, Hyderabad for cancellation of Council Resolution No.571, dt: 30.03.2013 since the public auction was conducted irregularly without following the guidelines and rules prescribed therein under section 59 of A.P. Municipalities Act, 1965; Hence, it is decided to cancel the Municipal Council resolution, Proddatur No. 571, dt. 30.03.2013;

7. Accordingly now, therefore, in exercise of the powers conferred under sub section (i) of section 59 of A.P. Municipalities Act, 1965, Government hereby order to cancel the Council, Resolution No. 571, dt. 30.03.2013.

8. The Commissioner & Director of Municipal Administration, Andhra Pradesh, Hyderabad shall take necessary action in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**DR. SAMEER SHARMA
PRINCIPAL SECRETARY TO GOVERNMENT**

To
The Commissioner & Director of Municipal Administration, Andhra Pradesh, Hyderabad
The Commissioner, Proddatur Municipality, Ananthapur District.
The Law (A) Department.
Sf/Sc.

//FORWARDED BY ORDER//

SECTION OFFICER